

## § 501.22

## 39 CFR Ch. I (7–1–06 Edition)

the Postal Service promptly for the cost of the seals. All costs associated with meter security seals are apportioned twice annually to the meter manufacturers by the installed base of each manufacturer.

[60 FR 30726, June 9, 1995. Redesignated at 66 FR 55097, Nov. 1, 2001]

### § 501.22 Inventory control.

(a) An authorized manufacturer must maintain sufficient facilities for and records of the distribution, control, storage, maintenance, repair, replacement, and destruction or disposal of all meters and their components to enable accurate accounting thereof throughout the entire meter life cycle. Record-keeping is required for all meters including newly produced meters, active leased meters, inactive meters, unleased meters, and lost or stolen meters. All such facilities and records are subject to inspection by Postal Service representatives.

(b) If the manufacturer uses a third party to perform functions that may affect meter security, including, but not limited to meter repair, maintenance, and disposal, the manager of Postage Technology Management, Postal Service Headquarters, must review in advance all aspects of the relationship, as they relate to the custody and control of meters, and must specifically authorize in writing the arrangement between the parties.

(1) Postal Service authorization of a third-party relationship for a given function does not extend to any other function. Extension of the third-party relationship to another function must be implemented and approved as if it were a new relationship.

(2) No third-party relationship shall compromise the security of the meter, or of any of its components, including, but not limited to, the hardware, software, communications, and security components, or of any system with which it interfaces, including, but not limited to, the resetting system, reporting systems, and Postal Service support systems. The functions of the third party with respect to a meter, its components, and the systems with which it interfaces are subject to the same scrutiny as the equivalent functions of the manufacturer.

(3) Any authorized third party must keep adequate facilities for and records of meters and their components in accordance with paragraph (a) of this section. All such facilities and records are subject to inspection by Postal Service representatives, insofar as they are used to distribute, control, store, maintain, repair, replace, destroy, or dispose of meters.

(4) The manufacturer must ensure that any party acting in its behalf in any of the functions described in paragraph (a) of this section maintains adequate facilities, records, and procedures for the security of the meters. Deficiencies in the operations of a third party relating to the custody and control of postage meters, unless corrected in a timely manner, can place at risk a manufacturer's approval to manufacture and/or distribute postage meters.

(5) The Postal Service reserves the right to review all aspects of any third-party relationship when it becomes aware that the relationship poses a threat to meter security under paragraph (b)(2) of this section, whether or not that relationship required authorization under paragraph (b) of this section.

[68 FR 2698, Jan. 21, 2003]

### § 501.23 Distribution controls.

Each authorized postage meter manufacturer must do the following:

(a) Hold title permanently to all meters of its manufacture except those purchased by the Postal Service.

(b) On behalf of applicants, transmit electronically copies of completed PS Forms 3601-A, Application for a License to Lease and Use Postage Meters, to the designated Postal Service central processing facility.

(c) Lease meters only to parties that have valid licenses issued by the Postal Service.

(d) Supply only those meter slogan or ad plates that meet the Postal Service requirements for suitable quality and content.

(e) (1) Have all meters set, sealed (if applicable), and checked into service by the appropriate Postal Service representative before delivering them to licensees. Meters must be checked into